

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA Title III

Case No. 17-03283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Debtor.

PROMESA Title III

Case No. 17-04780-LTS

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

THE FINANCIAL OVERSIGHT AND MANAGEMENT
BOARD FOR PUERTO RICO,

as representative of

THE PUERTO RICO ELECTRIC POWER AUTHORITY,

Plaintiff/
Counterclaim-
Defendant,

PUERTO RICO FISCAL AGENCY AND FINANCIAL
ADVISORY AUTHORITY, THE OFFICIAL COMMITTEE
OF UNSECURED CREDITORS OF ALL TITLE III
DEBTORS, CORTLAND CAPITAL MARKET SERVICES,
SOLA LTD., SOLUS OPPORTUNITIES FUND 5 LP,
ULTRA MASTER LTD, ULTRA NB LLC, UNION DE
TRABAJADORES DE LA INDUSTRIA ELECTRICA Y
RIEGO INC., AND SISTEMA DE RETIRO DE LOS
EMPLEADOS DE LA AUTORIDAD DE ENERGIA
ELECTRICA,

Intervenor-Plaintiffs,

v.

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE,

Defendant/
Counterclaim-
Plaintiff,

THE AD HOC GROUP OF PREPA BONDHOLDERS,
ASSURED GUARANTY CORP., ASSURED GUARANTY
MUNICIPAL CORP., NATIONAL PUBLIC FINANCE
GUARANTEE CORPORATION, AND SYNCORA
GUARANTEE, INC.,

Intervenor-
Defendants/
Counterclaim-
Plaintiffs.

PROMESA Title III

Adv. Proc. No. 19-391-LTS

**URGENT JOINT MOTION TO STAY CERTAIN CONTESTED MATTERS
AND ADVERSARY PROCEEDINGS RELATED TO BONDS ISSUED BY THE
PUERTO RICO ELECTRIC POWER AUTHORITY (“PREPA”) WITH RESPECT
TO NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION**

To the Honorable United States District Court Judge Laura Taylor Swain:

National Public Finance Guarantee Corporation (together with its successors and assigns, “**National**”) and the Financial Oversight and Management for Puerto Rico (“**Oversight Board**”), on behalf of itself and as sole Title III representative for the Commonwealth of Puerto Rico and PREPA (collectively, the “**Parties**”), respectfully submit this urgent joint motion to stay or continue the stay(s) of certain actions and motions pending in the above-captioned proceedings solely with respect to National.

BACKGROUND

1. National is a party to each of the following matters concerning bonds issued by PREPA (“**PREPA Bonds**”) filed with the Title III Court (collectively, the “**Matters**”):

- a. **Lien/Recourse Adversary**. On July 1, 2019, the Oversight Board initiated the following adversary proceeding seeking to disallow claims by the Trustee and holders of PREPA Bonds: *The Financial Oversight and Management Board for Puerto Rico v. U.S. Bank National Association, as Trustee, et al.*, Adv. Pro. No. 19-00391-LTS.
- b. **Motion to Dismiss Title III**. On September 19, 2022, National and certain other holders of PREPA Bonds filed the following motion seeking to dismiss PREPA’s Title III Case and to lift the automatic stay to enforce their right to appoint a receiver of PREPA: *Motion of the Ad Hoc Group of PREPA Bondholders, Assured Guaranty Corp., Assured Guaranty Municipal Corp., National Public Finance Guarantee Corporation, and Syncora Guarantee, Inc. to Dismiss PREPA’s Title III*

Case, or for Relief from the Automatic Stay to Enforce Their Right to a Receiver, filed in the Commonwealth Title III Proceeding² [ECF No. 22291] and the PREPA Title III Proceeding³ [ECF No. 2973].

- c. Receiver Motion. On October 3, 2018, National and certain other holders of PREPA Bonds filed the following motion seeking to enforce their right to appoint a receiver of PREPA: *Motion of National Public Finance Guarantee Corporation, Assured Guaranty Corp., Assured Guaranty Municipal Corp., and Syncora Guarantee Inc. for Relief from the Automatic Stay to Allow Movants to Enforce Their Statutory Right to Have a Receiver Appointed*, filed in the Commonwealth Title III Proceeding [ECF No. 4009] and in the PREPA Title III Proceeding [ECF No. 975].
2. On February 2, 2023, the Oversight Board, on behalf of itself and as the sole Title III representative of PREPA, and National entered into the *PREPA Plan Support Agreement* (the “**PREPA PSA**”) regarding the treatment of the PREPA Bonds in a plan of adjustment to be filed by the Oversight Board in accordance with the terms and provisions of the PREPA PSA (the “**PREPA Plan**”). The PREPA PSA embodies an agreement to settle disputes related to: (a) Insured Bond Claims and Asserted Reimbursement Claims held by National, and (b) related claims asserted and relief sought in the Matters. As a result of the PREPA PSA, the Parties thereto have agreed the Matters should be stayed solely with respect to National pending confirmation of the PREPA Plan (subject to paragraph 5 below).

² ECF numbers listed in connection with the Commonwealth Title III Proceeding refer to the docket in case number 17-03283-LTS.

³ ECF numbers listed in connection with the PREPA Title III Proceeding refer to the docket in case number 17-04780-LTS.

JURISDICTION & VENUE

3. This Court has subject matter jurisdiction over this matter under PROMESA section 306(a), 48 U.S.C. § 2166(a), and venue is proper under PROMESA section 307(a), 48 U.S.C. § 2167(a).

RELIEF REQUESTED

4. The Parties request that the Court stay, solely with respect to National, and continue any existing stay(s) of, the Matters, and without prejudice to all rights, arguments, claims, and defenses as they currently exist in the Matters to the extent the underlying claims are not resolved by the confirmation of a plan of adjustment or other order.

5. The Parties further request that, in the event that (i) the PREPA Plan, including any amendment, modification, or supplement thereto, is not confirmed and made effective; (ii) a plan is confirmed that has or would have a materially adverse impact on National; or (iii) the PREPA PSA is terminated prior to confirmation of the PREPA Plan, then the Parties (or any of them) may seek relief from the stays requested herein by motion to the Court.

6. The requested stays should be granted. To the extent the PREPA Plan is confirmed, the Oversight Board and National will have resolved the matters sought to be stayed herein. As a matter of judicial economy and Party resources, the Parties should not be required to actively litigate matters contemplated to be resolved between them under the PREPA PSA. No prejudice to non-movants exists, as the requested stays apply only to matters as between the Parties.

7. Nothing herein shall or is intended to (i) affect or lift any existing stay of any Matter; (ii) affect the continued prosecution through final judgments and appeals of any of the listed Matters, to the extent not otherwise stayed, pending the stay herein or after it is lifted; or (iii) determine or affect the legal impact of any judgments as against National and PREPA. For the avoidance of doubt, and without prejudice to any non-party to the PREPA PSA, National

acknowledges that such judgments may impact PREPA and National, including if the settlement in the PREPA PSA is not approved and not included in a confirmed plan of adjustment.

**CERTIFICATION OF COMPLIANCE WITH LOCAL RULE 9013-1
AND THE SIXTEENTH AMENDED CASE MANAGEMENT PROCEDURES**

8. Pursuant to Local Rule 9013-1 and I.H of the Sixteenth Amended Case Management Order, the undersigned hereby certify that counsel has carefully examined the matter and concluded there is a true need for expedited consideration of the Motion and the Parties have not created the urgency through lack of due diligence on their part. The undersigned further certify the Parties made a bona fide, reasonable, and good faith effort to resolve the issues addressed in this Motion prior to filing. The Parties jointly seek the relief requested herein. Certain parties previously indicated that they intended to object to the Motion, but the moving Parties have endeavored to resolve those objections and believe they have done so prior to this submission.

[Remainder of Page Intentionally Blank]

Dated: March 20, 2023
New York, New York

**ADSUAR MUÑIZ GOYCO
SEDA & PÉREZ-OCHOA, P.S.C.**

By: /s/ Eric Pérez-Ochoa
Eric Pérez-Ochoa
(USDC-PR No. 206314)
Luis Oliver-Fraticelli
(USDC-PR No. 209204)
Alexandra Casellas-Cabrera
(USDC-PR No. 301010)
PO BOX 70294
San Juan, PR 00936
Telephone: 787.756.9000
Facsimile: 787.756.9010
Email: epo@amgprlaw.com
loliver@amgprlaw.com
acasellas@amgprlaw.com

*Attorneys for National Public Finance
Guarantee Corporation*

WEIL, GOTSHAL & MANGES LLP

By: /s/ Robert S. Berezin
Matthew S. Barr*
Jonathan Polkes*
Robert Berezin*
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Email: matt.barr@weil.com
jonathan.polkes@weil.com
robert.berezin@weil.com

Gabriel A. Morgan*
700 Louisiana Street, Suite 1700
Houston, TX 77002
Telephone: (713) 546-5000
Facsimile: (713) 224-9511
Email: gabriel.morgan@weil.com

** Admitted pro hac vice*

*Attorneys for National Public Finance
Guarantee Corporation*

/s/ Hermann D. Bauer

Hermann D. Bauer

USDC No. 15205

O'NEILL & BORGES LLC

250 Muñoz Rivera Ave., Suite 800

San Juan, PR 00918-1813

Tel: (787) 764-8181

Fax: (787) 753-8944

Email: hermann.bauer@oneillborges.com

/s Michael A Firestein

Martin J. Bienenstock

Brian Rosen

Ehud Barak

(Admitted *Pro Hac Vice*)

PROSKAUER ROSE LLP

Eleven Times Square

New York, NY 10036

Tel: (212) 969-3000

Fax: (212) 969-2900

Email: mbienenstock@proskauer.com

jlevitan@proskauer.com

ebarak@proskauer.com

Michael A. Firestein

Lary Alan Rappaport

(Admitted *Pro Hac Vice*)

PROSKAUER ROSE LLP

2029 Century Park East

Suite 2400

Los Angeles, CA 90067-3010

Tel: (310) 557-2900

Fax: (310) 557-2193

Email: mfirestein@proskauer.com

lrappaport@proskauer.com

*Attorneys for the Financial
Oversight and Management Board,
as Representative of the Puerto Rico
Electric Power Authority*

CERTIFICATE OF SERVICE

I hereby certify that I filed this document electronically with the Clerk of the Court using the CM/ECF System, which will send notification of such filing to all parties of record in the captioned case.

At New York, New York, this 20th day of March, 2023.

By: /s/ Robert S. Berezin
Robert S. Berezin*
* *Admitted pro hac vice*

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA Title III

Case No. 17-03283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Debtor.

PROMESA Title III

Case No. 17-04780-LTS

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

THE FINANCIAL OVERSIGHT AND MANAGEMENT
BOARD FOR PUERTO RICO,

as representative of

THE PUERTO RICO ELECTRIC POWER AUTHORITY,

Plaintiff/
Counterclaim-
Defendant,

PUERTO RICO FISCAL AGENCY AND FINANCIAL
ADVISORY AUTHORITY, THE OFFICIAL COMMITTEE
OF UNSECURED CREDITORS OF ALL TITLE III
DEBTORS, CORTLAND CAPITAL MARKET SERVICES,
SOLA LTD., SOLUS OPPORTUNITIES FUND 5 LP,
ULTRA MASTER LTD, ULTRA NB LLC, UNION DE
TRABAJADORES DE LA INDUSTRIA ELECTRICA Y
RIEGO INC., AND SISTEMA DE RETIRO DE LOS
EMPLEADOS DE LA AUTORIDAD DE ENERGIA
ELECTRICA,

Intervenor-Plaintiffs,

v.

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE,

Defendant/
Counterclaim-
Plaintiff,

THE AD HOC GROUP OF PREPA BONDHOLDERS,
ASSURED GUARANTY CORP., ASSURED GUARANTY
MUNICIPAL CORP., NATIONAL PUBLIC FINANCE
GUARANTEE CORPORATION, AND SYNCORA
GUARANTEE, INC.,

Intervenor-
Defendants/
Counterclaim-
Plaintiffs.

PROMESA Title III

Adv. Proc. No. 19-391-LTS

**[PROPOSED] ORDER GRANTING
URGENT JOINT MOTION TO STAY CERTAIN CONTESTED MATTERS
AND ADVERSARY PROCEEDINGS RELATED TO BONDS ISSUED BY THE
PUERTO RICO ELECTRIC POWER AUTHORITY (“PREPA”) WITH RESPECT
TO NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION**

Upon consideration of the *Urgent Joint Motion to Stay Certain Contested Matters and Adversary Proceedings related to Bonds Issued by the Puerto Rico Electric Power Authority (“PREPA”) with respect to National Public Finance Guarantee Corporation* (the “Motion”),² and the Court having reviewed the Motion and the relief requested; the Court having subject matter jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. § 1331 and PROMESA § 306(a), 48 U.S.C. § 2166(a); venue being proper before this Court pursuant to 28 U.S.C. § 1391(b) and PROMESA § 307(a), 48 U.S.C. § 2167(a); notice of the Motion being adequate and proper under the circumstances; and after due deliberation and sufficient cause appearing therefor; it is HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The Court hereby stays, solely with respect to National, and continues any existing stays of, the following matters, subject to a further order of the Court, and without prejudice to all rights, arguments, claims, and defenses of the parties as they currently exist in such matters:
 - a. Adv. Pro. No. 19-00391-LTS.
 - b. Commonwealth Title III, Case No. 17-3283-LTS: ECF Nos. 4009, 22291.
 - c. PREPA Title III, Case No. 17-3567-LTS: ECF Nos. 975, 2973.
3. The terms and conditions of this Order shall take immediate effect and be enforceable upon its entry.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

4. In the event that (i) the PREPA plan of adjustment, including any amendment, modification or, supplement thereto in accordance with the terms and provisions of the PREPA PSA (the “PREPA Plan”), is not confirmed and made effective; (ii) a plan is confirmed that has or would have a materially adverse impact on National as compared to the PREPA Plan; or (iii) the PREPA PSA is terminated prior to confirmation of the PREPA Plan, then the Parties (or any of them) may seek relief from the stays requested herein by motion to the Court.

5. Nothing herein shall or is intended to (i) affect or lift any existing stay of any Matter; (ii) affect the continued prosecution through final judgments and appeals of any of the listed Matters, to the extent not otherwise stayed, pending the stay herein or after it is lifted; or (iii) determine or affect the legal impact of any judgments as against National and PREPA. For the avoidance of doubt, and without prejudice to any non-party to the PREPA PSA, National acknowledges that such judgments may impact PREPA and National, including if the settlement in the PREPA PSA is not approved and not included in a confirmed plan of adjustment.

6. This Court retains jurisdiction to resolve any dispute arising from or related to this Order and to interpret, implement, and enforce the provisions of this Order.

SO ORDERED.

Dated: _____

LAURA TAYLOR SWAIN
UNITED STATES DISTRICT JUDGE